



## **AGENDA MEMORANDUM**

**CONTACT:** ERIC FOERSTER-CITY MANAGER

**SUBJECT:** IMPACT FEE DISCUSSION (RATE REVIEW ONLY)

**SUMMARY:** It was requested by Mayor Durham that we add this discussion item due to concerns from Oakwood Shores residents regarding Impact Fees. It is feared that large impact fees may inhibit growth within Oakwood Shores and the Mayor wished to open the current rates for discussion.

**BACKGROUND INFORMATION:** The City of Richwood implemented Impact Fees in 2019 to assist in the recovery of costs associated with future development on infrastructure. It would also limit or at least reduce the burden of existing customers to pay for new development and improvements in infrastructure. This is all governed by the Texas Local Government Code, Chapter 395, which outlines what and how Impact Fees can be used and implemented within the City of Richwood. The current Impact Fee schedule was voted on by City Council on September 9, 2024 after review by CIAC, a public hearing, and the City Council itself.

**ISSUE:** It is feared that large impact fees may inhibit growth within Oakwood Shores and severely impact those who wish to build there.

**FISCAL IMPACT:** By reducing the current fee there could be reduction in money set aside for future infrastructure improvements to meet demand. This increased cost could be passed on to all citizens within Richwood.

**RECOMMENDATION:** Staff Recommends no further reduction in rates lower than the current  $\frac{3}{4}$ " meter size rates, \$5820.00 vs. \$9700.00 for the 1" meter if CIAC wishes to consider changing the rates.

Staff recommends using the current rate (\$5820.00) for both the  $\frac{3}{4}$ " and 1" to alleviate confusion as both are our most common sizes used. Any further reduction is not recommended by staff.